

Iowa Developments

From the Iowa Department of Economic Development • November 2002 • Volume 11 • Number 4

Iowa's leadership position in biodiesel fuels

The national spotlight is shining once again on Iowa's Biomass Energy Conversion (BECON) facility. It wasn't long ago that the test plant in Nevada, Iowa made national headlines because of the innovative work being done to make biodiesel fuel a viable alternative to petroleum-based fuel.

Attention now stems from a recent mandate by the Environmental Protection Agency (EPA) to remove 97 percent of sulfur from diesel fuel emissions by the year 2006.

"A very real solution is to use a two percent additive of soybean-based biodiesel to traditional diesel fuel," says Iowa Energy Center Director Floyd Barwig. "Biodiesel is nontoxic, biodegradable and virtually sulfur free."

The impact of the emission reduction mandate on Iowa's economy would be enormous, given the origin of biodiesel is soybeans, Iowa's second most abundant crop.

The projected amount of biodiesel fuel needed would be equal to more than two-thirds of the current U.S. soybean oil production. Additionally, biodiesel can also be produced from wide variety of fats and oils from both plants and animals. BECON's expertise in the biodiesel industry was confirmed recently when the U.S. Department of Energy bestowed a \$213,400 grant to help turn the BECON facility into the site of unique biodiesel teaching program. Dr. John Van Gerpen, professor of mechanical engineering at

Continued on page 2



KEOUGH PRESENTED IOWA LIFETIME ACHIEVEMENT AWARD Iowa venture capitalist John Pappajohn (right) said it was his "super pleasure" to present this year's "Iowa Lifetime Achievement Award" to Donald R. Keough, former CEO of Coca-Cola. Keough was born in Iowa and grew up in Sioux City. In his speech to the Iowa Venture Capital Conference, Keough said, "Most of the important perspectives in my life can be traced to my beginnings here in Iowa. If there's a value system better than in Iowa and the Midwest any place in the world, I don't know where it is."

Venture Capital Conference promotes new investment climate in Iowa

Donald Keough, former president of Coca-Cola and Iowa native, spoke to a crowd of more than 700 entrepreneurs, investors, business people, educators, economic developers and students on the keys to success at the Venture Capital Conference, Sept. 30, at the Polk County Convention Complex in Des Moines. Keough, originally from Sioux City, was president of Coca-Cola for 12 years, including the year it introduced the failed New Coke product. His message encouraged the audience to learn to communicate and have integrity and a strong work ethic, and credited his Iowa roots and education for his success.

Governor Thomas J. Vilsack explained the foundation of Iowa's new venture capital climate, the Venture Capital Stimulus package,

which encourages investors by providing a safety net and provides funds for assistance to start-up companies.

Investors looking for ideas heard from eight companies showcasing their innovative businesses through a Venture Network of Iowa (VNI) forum. The VNI Forum, a program of the Iowa Department of Economic Development that matches entrepreneurs and investors, is in its 13th year of featuring companies representing several different niche markets. Examples of presentations included an arm wrestling machine; a company that specializes in plant genome modification; and an off-highway traction vehicle company that displayed a 13-ton prototype tractor for use in exploration, construction, and industrial agriculture.

Continued on page 3

Ask C.J.

Q. How well are we doing in getting Iowans electronically connected to the global economy?

A. We are making excellent progress on both getting the essential connections and a competitive business climate. A survey financed by IDED for the Iowa Alliance for Advanced Telecommunications shows that 70 percent of Iowans are using the Internet and 29 percent of businesses are using high-speed connections. A separate study by the Progressive Policy Institute shows Iowa favorably positioned to capitalize on a knowledge based economy. The PPI study ranks Iowa among the top five states in business climate for electronic commerce. Private companies have cabled Iowa with more than 7,600 miles of high-speed networks. Our schools are especially well served by the more than 3,300 miles of fiber optic cables comprising the Iowa Communications Network. Every Iowan who is learning to put technology to use at work, school and home is contributing to Iowa's progress. People, businesses, communities, regions, and government are all working partners in pursuing a competitive edge in technology.

While we have much to do, the pieces essential to Iowa's success are being moved into position.



C.J. Niles
is the Director of the
Iowa Department of
Economic Development

One Call to make before excavating

Anyone doing excavation work in Iowa should be aware of an Iowa law that requires checking with the Iowa One Call Center at least 48 hours in advance to avoid damage to underground utility lines.

Contractors, homeowners, and others who may be excavating, digging or trenching must call 1-800-292-8989 to have underground facilities located and marked before the excavating begins. Making the phone call can help eliminate the risk of disrupting service, and greatly reduce the potential risk of serious personal injury.

The service is free. A team of 50 customer service representatives located in Davenport handle over 40,000 calls per month during peak construction season. The center sends locate requests to utility companies who have 48 hours to mark underground lines with flags or paint so excavators can avoid them at the site.

Underground facilities include gas, electric, telecommunications, cable television, water and sewer lines.

A Northwest Iowa Excavating company faces at \$7,000 penalty for not complying with the law and breaking an underground natural gas line that cut off service to the community of Cylinder for half a day earlier this year.



Iowa's leadership position in biodiesel fuels

Continued from page 1

Iowa State University will be in charge of the biodiesel training program.

"The potential demand for biodiesel will drive rapid growth in the number of new fuel suppliers," says Van Gerpen. "If these efforts are successful, there will be a need for high-quality accessible education and teaching resources."

Affiliated with Iowa State University, the BECON facility demonstrates commercial processes for producing biodiesel, showcases the technology for potential plant owners and allows laboratory processes to be tested on a large scale.

LARGEST BIODIESEL FACILITY

In addition to being home to BECON, Iowa is also home to the world's largest commercial biodiesel production facility.

Owned by West Central Cooperative, the facility in Ralston has the capacity to make more than 12 million gallons of biodiesel per year.

West Central's value-added approach to biodiesel production is why the technology makes so much sense for Iowa and the rest of the nation. "In many respects the facility acts as a soybean refinery - producing many finished products from one raw commodity," says Barwig. "Soybean meal and oil, biodiesel and glycerin are all products that can be achieved from soybean processing."

Because biodiesel can be produced from other biomass products, Barwig is excited about the technology's potential.

"If you leave half of the corn stover (stalks & leaves) on the ground after harvest, and use the other half to produce fuel, the resulting product would be equal to 24 million tons of coal, which is the amount we import into Iowa annually," Barwig explains.

The Iowa Energy Center is also doing leading research in other alternative fuel technologies and has entered into research partnerships with well-known companies like Pioneer Hybrid and Rubbermaid.



International Update

PORK TRADE MISSION TO VIETNAM AND THAILAND (FEBRUARY 14 - 26, 2003)

Vietnam and Thailand both hold potential for Iowa pork and pork variety meats. IDED will work with in-country contractors and the U.S. Meat Export Federation to arrange a pork market exploration mission to Hanoi and Ho Chi Min City, Vietnam and Bangkok, Thailand. Market orientation meetings will be held. Iowa companies and pork industry leaders will participate to access future market potential and identify sales opportunities for pork. Iowa companies are invited to participate and may qualify for ETAP funding. Contact Mark Fischer (mark.fischer@ided.state.ia.us) at 515.242.4760.

THE UPPER MIDWEST HOSPITALITY AND LODGING SHOW IS BEING HELD - MINNEAPOLIS, MN (FEBRUARY 23 - 25, 2003)

Held at the Minneapolis Convention Center, this food service industry show for the Minnesota, Iowa, Nebraska, North and South Dakota markets, has potential as a growing regional market for Iowa companies. The Iowa Department of Economic Development and the A Taste of Iowa(r) program will sponsor an Iowa pavilion and recruit companies to participate at a discounted cost. Currently we are recruiting to fill our 800 square foot pavilion on a first come first serve basis. There are four companies committed to exhibiting and three 100 square foot booths left to fill. Please contact Jennifer Porter (jennifer.porter@ided.state.ia.us) at 515.242.4871 for more information.

MEXICO TRADE MISSION - GUADALAJARA & MONTERREY (MARCH 2 - 8, 2003)

Mexico, the 9th largest economy in the world, remains the 2nd largest trading partner of the U.S. and the 3rd largest of Iowa. Under the NAFTA, U.S. goods will be duty-free on January 1, 2003, with few exceptions. Participants in this year's Mexico Trade Mission will have one-on-one pre-qualified business meetings in Guadalajara and Monterrey providing opportunities in two of Mexico's primary business centers. Guadalajara is Mexico's 2nd largest city and third largest manufacturing base. It has been dubbed the "Silicon Valley of Mexico" and is an agribusiness region with manufacturing industries such as footwear, apparel, processed food, furniture, chemicals, pharmaceuticals and metalworking. Monterrey is the 3rd largest city and ranks 2nd overall in industrial output. Located on the principal industrial corridor connecting the U.S. with Mexico's interior, it is home to the 10 largest conglomerates and heavy industry, and is also a primary distribution center. All industry sectors are invited to participate in this mission. Contact Peggy Kerr (p.kerr@ided.state.ia.us) at 515.242.4745 to discuss specifics or to arrange advance market research to assist in the decision making process.

AFIA*AGRO DE LAS AMERICAS 2003 - GUADALAJARA, MEXICO (MARCH 6 - 8, 2003)

IDED will sponsor an Iowa pavilion at AFIA*Agro de las Americas, the largest international exhibition for the feed/livestock/agricultural industry in Mexico and Central America. Under NAFTA rules tariffs on meat products from the U.S. will either be eliminated or dramatically reduced in 2003 forcing Mexican ranchers to re-evaluate their technology, systems, quality standards and profit margins in order to compete. Therefore suppliers to the grain, feed, poultry, swine, dairy and beef industries will have tremendous sales potential in the Mexican market. In three days, companies can test product acceptance, check out the competition and find sales distribution. Exhibitors may also participate in the Mexico Trade Mission taking place around the exhibition dates. Contact Peggy Kerr (p.kerr@ided.state.ia.us) at 515.242.4745 to learn more about the exhibition and how to make the best use of your time while there.

VIV ASIA 2003 - BANGKOK, THAILAND (MARCH 5 - 7, 2003)

The Asia/Pacific region is home to over 3 billion people and an important region for intensive animal production. Companies in pig and poultry production, feed, veterinary services and meat processing have relied on VIV Asia to showcase their products and technology. Join us in us in the Iowa Pavilion and showcase your products and services at this premier agricultural event for all of Asia. Contact Kathy Hill (k.hill@ided.state.ia.us) at 515.242.4741 for more information.

MEAT TRADE MISSION TO JAPAN (APRIL 2003)

Japan is the largest export market for Iowa beef and Iowa pork, and is creating growing niche opportunities for all Iowa meats. This Iowa meat mission will involve several Iowa meat sectors - beef, pork, turkey and chicken. Individual appointments will be arranged for Iowa processors to meet niche marketers and the secondary level of importers, processors and retailers in Japan. This will mark 15 years of expanded meat trade in Japan since the beef market was liberalized in 1988. IDED is planning to host an Iowa reception to celebrate this success with the Japanese trade. Contact Mark Fischer (mark.fischer@ided.state.ia.us) at 515.242.4760.

LITERATURE TRADE DAYS (SPRING 2003)

Access multiple emerging markets inexpensively and without leaving your office. The International Office is offering high-profile literature trade days to two emerging regions: Africa/Middle East and Latin America. You can access up to 10 emerging markets for as little as \$600 or one of these regions for \$400. Please contact either Kelly Halsted (kelly.halsted@ided.state.ia.us) at 515.242.4713 or Peggy Kerr (p.kerr@ided.state.ia.us) at 515.242.4745 for additional information. Don't miss out on this opportunity to gain market share in these regions. The deadline to sign up for both of these events will be early December.

FOOD MARKETING INSTITUTE (FMI) SHOW - CHICAGO, ILLINOIS (MAY 4 - 6, 2003)

Currently, all booth space for the 2003 FMI Show has been sold. However, there sometimes are cancellations. If you would like to be placed on a waiting list, please contact Dennis Leland (dennis.leland@ided.state.ia.us) at 515.242.4763.

THE NASFT SPRING FANCY FOOD SHOW - CHICAGO, ILLINOIS (MAY 4 - 6, 2003)

(Being held in conjunction with the Food Marketing Institute Show (FMI) at McCormick Place)

The Iowa Department of Economic Development and the A Taste of Iowa(r) program will sponsor an Iowa pavilion allowing five Iowa companies to exhibit at discounted cost. So far we have identified fifteen Iowa food companies that are interested in this Midwestern regional specialty food market. Due to an overwhelming response from interested Iowa food companies we have filled the pavilion although we are still taking applications for a sponsored trade mission to this event. Please contact Jennifer Porter (jennifer.porter@ided.state.ia.us) at 515.242.4871 for more Information.

HOFEX/CHINA MISSION - HONG KONG & CHINA (MAY 6 - 9, 2003)

Plans are underway to have an Iowa Pavilion at the 2003 Hofex show in Hong Kong. Hofex is the only International Food and Trade Show in Hong Kong for the Asian region. U.S. agricultural exports to Hong Kong reached a total of US \$1.43 billion in 2000. This ranks Hong Kong as the 8th largest export market for U.S. agricultural products. After the show, plans are being made to take interested companies to Beijing and Shanghai for one-on-one meetings with potential importers and distributors. Contact Dennis Leland (dennis.leland@ided.state.ia.us) at 515.242.4763 for more information.

BALTICS & RUSSIA TRADE MISSION (JUNE 2003)

Designed for an experienced manufacturing exporter, which has the desire to capture a virtually untapped market. Now is the time to establish your contacts and capture your market in the region. Lithuania, Estonia and Latvia have been tapped as entrants into the EU by 2004. This means increased ease of doing business with the region and increased investment into the region. St. Petersburg is the 4th largest city in Europe and the largest port for all of Northwest Russia. As a center to Russia's technology and industry, opportunities in St. Petersburg are endless and is the place to start in the Russian market. To learn more about the mission, contact Kelly Halsted (kelly.halsted@ided.state.ia.us) at 515.242.4713.

IOWA ELEVATOR GRAIN MERCHANDISER MISSION - MEXICO (JUNE 2003)

Iowa grain elevators and industry representatives will have one-on-one meetings in Guadalajara and Veracruz, Mexico. For more information, contact Dick Vegors (r.vegors@ided.state.ia.us) at 515.242.4796.

OTHER INFORMATION

Mr. Jimmy Chu, Iowa's representative in the Greater China Region, will be traveling throughout Iowa in November assisting companies with questions on marketing, distribution and product introduction methods for the Asia/Pacific Region. If you are interested in meeting with Mr. Chu while he is in Iowa, please contact Kathy Hill (k.hill@ided.state.ia.us), 515.242.4741.

China Compulsory Certification System - CCC Marking

China is in the process of integrating its two compulsory inspection systems into a single procedure called the China Compulsory Certification (CCC) System. This system eliminates the CCIB (safety approval) and CCEE (Great Wall Mark) approval system. All products (domestic or imported) requiring the CCC marking must be certified before they can be marketed or sold in China. The following web sites are provided to assist you in making sure your product complies with the new regulations, which must be in full compliance by May 1, 2003. Contact Kathy Hill (k.hill@ided.state.ia.us) at 515.242.4741 for more information.

www.ccc-mark.com/china-compulsory-certification.html

www.zisway.com/certbody/CCC/CCC-en.htm

www.raymond.com/library/news/814-1.html

powerelectronics.com/ar/power_emc_compliance_management/

english.peopledaily.com.cn/200111/19/print20011119_84853.html

www.engineeringtalk.com/news/tvi/tvi106.html

International Traders of Iowa Monthly Dinner meeting (Tuesday, November 19, 2002)

The topic will be importing. For more information, contact Jodi Stroud at 515.254.1269 or visit www.iowatraders.com.

Roquette America incentives approved

Roquette America's proposed \$94 million expansion in Keokuk has been approved for tax benefits from Iowa's New Jobs and Income Program (NJIP). The Iowa Department of Economic Development board approved the project, which will create 46 jobs. The median wage of the new jobs is \$19.50 per hour.

Roquette America has a plan for development in Keokuk that begins with a \$50 million cogeneration project that will produce electricity and steam for the plant and other customers. The company will follow with \$44 million in investments to expand an existing processing facility by 9,000-sq. ft., build a 22,000-sq. ft. facility to produce specialty products and expand raw material processing capabilities.

State Representative Philip Wise of Keokuk, an ex officio (non-voting) member of the IDED board said, "This is a tremendous leap into an exciting future for this company and the people who work there. The

improvements in electrical generating capacity and available steam will have a significant impact because they make it possible for a growing cluster of life sciences companies to locate in the area. Already this facility is buying over \$100 million of corn every year and nearly half of it comes from Iowa."

The Keokuk plant produces starch, glucose corn syrups and high fructose corn syrups, which are used in foods and beverages and by paper companies. A leading exporter, ninety-six percent of Roquette's sales are outside of Iowa.

Iowa's New Jobs and Income Program offers future tax savings for large business investments that put Iowans to work in quality jobs. Business incentives can include a state investment tax credit and sales tax refunds on construction and construction services. If you would like to know if this program would help your company expand, contact the Iowa Dept. of Economic Development at 1-800-245-4692.

Laser Program Grads On Target

Here's a statistic that should make any would-be student sit up and take notice - starting salaries for recent graduates of the Laser/Electro-Optics program at Indian Hills Community College (IHCC) in Ottumwa ranged from \$41,018 to \$53,124, with the average being \$44,450. All of this from a 21-month, associate of arts program.

Why are these students and their new skills in such demand? Mike Pollmann, coordinator of the polytechnic division at IHCC, cites the proliferation of laser optic technology in the workplace as the primary reason.

"Today's lasers are used in a wide range of situations such as material processing, surgery, stress testing, range finding, communications, forensics, holography and entertainment," says Pollmann. Students enrolled in the IHCC program concentrate on learning the fundamentals of lasers and optics, with emphasis on equipment, systems and their applications.

Forty percent of the student's time is spent doing hands-on lab training on more than a dozen industrial lasers. The IHCC laser program is the only one of its kind in Iowa, and there are fewer than 25 nationwide.

Hunting for Customers

The Barker Company in Keosauqua is well known as a family-owned, flexible manufacturer of refrigerated display cases used by grocery and convenience stores. The company is also known for its above-and-beyond approach to developing customer relationships.

For a number of years, plant owners Pat, Tom and Tim Mahon and plant employees have been leading customer hunting expeditions in and around southern Iowa.

Capitalizing on the area's wealth of pheasant, quail and duck hunting opportunities, Barker Company customers come in from across the country and around the world to hunt.

"While they're here we make sure they get a plant tour, because we know that once they see our facility we've got ourselves a long-term customer," says McMahon. "And, even when we're not in hunting season, we make sure we continue to build relationships. I've got a group coming to my house for dinner this weekend; we treat our customers like family."

While Barker is headquartered in Keosauqua, the company also has a sister plant in Centerville. Employment at both facilities now totals 470.

Venture Capital Conference promotes new investment climate in Iowa

Continued from page 1

"I am excited about the new opportunities to create an environment conducive to launch new businesses at the same time that we maintain support for existing Iowa companies," Vilsack said. "The long-term economic vitality of Iowa and its workers depends upon creating new jobs and new opportunities. During the 2002 session, we worked with the Legislature to enhance venture capital opportunities, including boosting our existing businesses, helping attract new companies and encouraging new local ventures."

Over 300 college and university students attended the conference to learn more about entrepreneurship in Iowa. John Pappajohn, a long-time supporter of entrepreneurs in the state, summarized the importance of supporting entrepreneurship and announced the kick off of the Pappajohn New Venture Business Plan Competition for Iowa college students wanting to start their own businesses. Three outstanding business plans selected in the competition will each receive a \$5,000 grant. Regional competitions will be held around the state, with the winners to be announced in December.

Calendar



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- Oct. 24-25** World Food Prize International Symposium
Downtown Marriott Des Moines
- Nov. 14** Venture Network of Iowa
Statewide ICN locations
- Nov. 11-15** Meat Export Trade mission to Mexico

Inside Developments

- Venture Capital Conference promotes
new investment climate in Iowapage 1
- Iowa's leadership position in
biodiesel fuels page 1
- Roquette America
incentives approved page 3

Producer owned beef plant moves ahead

The Iowa Quality Beef Supply Cooperative Harvest Facility, which is owned by producers, is moving forward toward opening day. More than \$7.2 million has been raised from the shares purchased by family farms, agribusinesses and individual investors.

"The success of the equity drive has resulted in the letting of bids for several major renovations at the beef harvest plant," says Wythe Willey, project manager of the facility. Willey is a Cedar Rapids, Iowa cattleman and lawyer. This year he is serving as president of the National Cattlemen's Beef Association.

Renovation of existing space and new construction projects are well underway at the facility in Tama, Iowa.

Eventually the plant will employ 600 workers at full production and approximately 1,200 head of cattle will be harvested daily.

The Iowa Department of Economic Development Board has approved tax benefits from Iowa's Enterprise Zone program for the project. The Cooperative will receive an investment tax credit, refunds of sales taxes on construction and funds to train the plant's projected work force. If your company would like to know more about Enterprise Zones for expansion, contact IDIED at 1-800-245-4692.

Free Safety Benchmarking

A University of Iowa doctoral student is surveying companies to collect data on what organizational safety practices lead to safer organizations. She is offering businesses a free safety audit and benchmarking of practices. If your company is interested, contact Kristy Lauver at Kristy-Lauver@Uiowa.Edu, or phone (319) 358-1562.